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Chief Administrative Officer

County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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AGENDA ITEM IV a.

AUG 16 2007

January 19, 2007

To: Sachi Hamai
Executive Officer

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

UPDATE OF WORKPLACE GIVING POLICY AND STANDARDS

The Board Policy 3.010, regarding Workplace Giving Policy and Standards, has been updated to reflect the actual role of Fund Distribution Agencies and the Direct Designation options available to County employees.

In addition to consistency and minor clerical changes, we have reorganized the format. The Board's authorization and policies for the overall program is contained at the beginning of the standards and requirements section. Attachment I contains the policies and standards, and Attachment II contains the Sunset Review Evaluation form.

If you would like addition information or have questions, please contact Victoria Pipkin-Lane in the CAO Workplace Programs Office. Her phone number is (213) 974-2495, and her email address is vpipkin@cao.lacounty.gov.

DEJ:GK
VPL:hg

Attachments

Policy # 3.010 **TITLE: WORKPLACE GIVING POLICY AND STANDARDS**

Effective Date: February 1, 2007

PURPOSE

Establishes the Workplace Giving Program Standards for charitable giving by County employees through payroll deductions and the fundraising threshold for participating Fund Distribution and Direct Designation Agencies.

REFERENCE

June 2, 1998 Board Order, Synopsis 78.

Government Code 1157.2

Section 501(c)(3) Internal Revenue Code

Senate Bill 1256 (Chapter 452, Statutes of 1991)

POLICY

To support local non-profit charitable organizations which provide a broad range of health and human services to the residents of Los Angeles County, which reflect the cultural and ethnic diversity and the under-served areas impacting the status of men, women and children.

This policy sets forth participating agency standards, reporting requirements for audit purposes, campaign requirements to comply with all laws covering qualified tax-exempt organizations, payroll deductions for both flat and percentage deductions, and periodic review by the Auditor-Controller, CAO, Labor Management Advisory Committee or other representative.

COUNTY OF LOS ANGELES
WORKPLACE GIVING PROGRAM STANDARDS

I. Authorization and Policies Approved by the Board of Supervisors

- A. Authorize use of County funds and property by County departments, within each department's approved budget allocation, in connection with the County's Workplace Giving Program and campaign.
- B. Authorize, as part of the Workplace Giving Program, direct solicitation of employees, on a voluntary basis, by County and/or representatives of Fund Distribution Agencies during working hours, before or after official working hours, during breaks or lunch hours and during other non-working hours, as determined by each department.
- C. Authorize the assignment of County officers and employees, on a voluntary basis, to attend or assist in the administration of program activities during working hours.
- D. Reaffirm the policy that all employee participation in the program and/or program activities shall be on a strictly voluntary basis. An employee's decision on whether to participate shall not be a basis, directly or indirectly, for any adverse employment action.
- E. Direct that employees be notified, in writing, of the opportunity to participate in charitable giving activities through the Workplace Giving Program and of the Board's policy that all participation in the program is strictly voluntary and has significant and broad union and community support.
- F. Authorize the Labor-Management Advisory Committee, Committee on Workplace Giving to recommend County campaign time frames and strategies and to develop general campaign program guidelines to assist County department heads and departmental coordinators.
- G. Authorize department heads to implement Workplace Giving Program campaigns as determined by each department.

II. County Campaign and Payroll Deductions

A. Authority

Government Code Section 1157.2 enables the Los Angeles County Board of Supervisors, under such regulations as it may prescribe, to allow employees to authorize deductions to be made from their salaries or wages for their payment of contributions of designated sums to charitable local organizations or to non-profit California corporations which are compelled by their laws to make and which do expend such sums solely by the making of contributions to charitable organizations qualified under Section 501(c)(3) of the U.S. Internal Revenue Code of 1974; Senate Bill 1256 (Watson) (Chapter 452, Statutes of 1991) amending Government Code Section 26227 (which) allows a County Board of Supervisors to authorize work time activities related to Workplace Giving

Programs and charitable giving activities; and the Los Angeles County Board of Supervisors approved County Workplace Giving Program Standards contained herein.

B. Program Mission

To support local non-profit charitable organizations which provide a broad range of health and human care services to the residents of Los Angeles County which reflect the cultural and ethnic diversity of the region, and the underserved areas impacting the status of men, women and children.

To administer a voluntary, cost-effective program that maximizes employee donor choices and maximizes dollar distribution to agencies providing direct services to local residents in Los Angeles County communities.

C. Committee On Workplace Giving

The Labor-Management Advisory Committee, authorized by the County Board of Supervisors, shall appoint a Committee on Workplace Giving which will advise the Board of Supervisors on County Workplace Giving Campaign policies and campaign action plans.

D. Definitions

1. County Campaign – Fund Distribution Agency

The term "Fund Distribution Agency" means a non-profit California corporation, 501(c)(3) which distributes funds to member agencies who provide health and human care services to the residents of Los Angeles County, reflecting the cultural and ethnic diversity of the region and the underserved areas impacting the status of men, women and children.

Fund Distribution Agencies shall distribute employee dollars raised to a minimum of 15 local non-profit agencies serving Los Angeles County. Parent agencies and not their affiliates will be counted in local agency totals. Branches, chapters or such subunits of a parent agency will be counted as a single unit within the membership structure of a Fund Distribution Agency.

Fund Distribution Agencies must be those whose principle service function is provided to the culturally diverse residents of Los Angeles County. This criterion is intended to ensure that the widest and most diverse range of services possible is provided to the residents of Los Angeles County.

2. County Campaign – Direct Designation Agencies

The term "Direct Designation Agency" means a non-profit California corporation, 501(c)(3) which raised \$25,000 locally and provides services to local and diverse communities in Los Angeles County. These agencies (donor direct designation agencies) would receive 90 percent of the employee direct designation dollar (processed through the County FDA payroll deduction process) with 10 percent representing a processing fee required by the Fund Distribution Agency.

E. Fund Distribution Agency Campaign Standards

1. Record of Fund-Raising

Fund Distribution Agencies must have raised \$100,000 locally and must raise at least \$50,000 (ongoing) through a combined effort of County employee cash contributions and County employee payroll deductions. Fund Distribution Agencies must also raise at least \$50,000 in a single County employee campaign, to be achieved by the second year of campaign participation, or be deemed ineligible to participate in future County campaigns.

2. Administrative Costs

The Fund Distribution Agency's administrative/marketing/campaign costs may not exceed 20 percent of the County's employee donor dollars. Therefore, Fund Distribution Agencies are required to distribute not less than 80 percent of the dollars received from the County Employee Charitable Giving Campaign to local non-profit agencies which meet the County Workplace Giving Program criteria and mission.

The County requires a maximum of 10 percent administrative costs related to County employee direct designations (Direct Designation Agencies), or a requirement that no less than 90 percent of the dollars received from the County Employee Campaign for direct designations (through Direct Designation Agencies) be distributed directly to the designated non-profit agency through the selected host Fund Distribution Agency.

These administrative costs requirements will provide for the maximum dollar distribution to agencies providing direct community service.

3. Fund Distribution Agency Report Requirements

The Fund Distribution Agency is required to provide the following to the Labor-Management Advisory Committee and the Chief Administrative Office-Office of Workplace Programs:

- copies of its Annual Reports and audited financial statements from the previous five-year period;
- a document copy of the organization's 501(c)(3) non-profit status;
- a copy of the prior year's IRS Form 990, completed and signed;
- a listing of the organization's Board of Directors and Officers;
- a detailed report on the allocation approvals for designated and undesignated dollars; and
- any changes to the above reporting and campaign requirements, in writing, within 30 days of the change.

4. Fund Distribution Agency Campaign Requirements (Other)

Fund Distribution Agency shall comply with the following County campaign policies and procedures.

- Transmit donor dollars, as designated by County employees, to organizations qualified as tax-exempt organizations under Section 501(c)(3) of the U.S. Internal Revenue Code of 1974, on a monthly basis or an authorized allocation process;
- Provide campaign educational/informational material for the County's campaign, as requested by the Labor-Management Advisory Committee or its designee;
- Provide appropriate funding for related County campaign expenses, as deemed necessary and appropriate by the Labor-Management Advisory Committee or designee; and
- Comply with all other provisions deemed necessary by the Los Angeles County Board of Supervisors, Chief Administrative Officer, the County Auditor-Controller, Labor-Management Advisory Committee or designee.

F. Employee Payroll Deduction

1. Payroll Deduction Authorizations

Any County officer or employee may authorize payroll deductions from his/her wages for payment of charitable contributions to eligible non-profit agencies, as approved by the Board of Supervisors. Payroll deductions for such contributions shall include the following:

- Written authorization from employee upon the form prescribed by the County Auditor-Controller; and

--Written authorization from employee of the payroll deduction at such percentage of salary per pay period as printed on the prescribed form.

2. Effective Date

In addition, an authorization or cancellation shall be effective for that payroll period for which it is received by the Auditor-Controller. Adequate time for processing a new deduction or cancellation must be provided.

G. Employee Direct Designations

1. Employees' Direct Designations

Employees may make direct designations to any eligible non-profit organization of their choice by submitting the prescribed "direct designation form" to their departmental coordinators or a host Fund Distribution Agency.

- Required Payroll Deduction Authority: Employees will submit payroll deduction cards (identifying the deduction amount/percentage) and direct designation forms (identifying the selected agency/agencies and direct designation amounts) to their departmental coordinators.
- One-Time Cash/Check Donation: Employees will submit a check/cash to their Departmental Campaign Coordinator identifying the Fund Distribution Agency and designated agency and amount(s) selected.

2. Fund Distribution Agencies Requirements

Fund Distribution Agencies will maintain an informational system on employee direct designations and prepare a County Direct Designation Report, annually. FDAs will retain only 10 percent of the employee donation for administrative handling fees and will forward 90 percent to the designated agency.

H. Fund Distribution Agency Periodic Review

Payroll deduction privileges shall be reviewed annually by the County Labor-Management Advisory Committee and the Chief Administrative Office to determine continued compliance with program standards and requirements.

I. Fund Distribution Agency Terms For Campaign Ineligibility

Fund Distribution Agencies shall be deemed ineligible for continued campaign participation as a result of any of the following conditions:

- If administrative, marketing and campaign funding exceeds the 20 percent requirement;

- If it is determined that they have less than 15 local member agencies; or
- If less than \$100,000 is raised locally (and ongoing) and less than \$50,000 is raised during the previous County employee campaign, through a combined fundraising effort of cash contributions and County employee payroll donations.

J. Direct Designation Ineligibility

Direct Designation Agencies, selected by employees, shall be deemed ineligible for direct designation status through an approved Fund Distribution Agency as a result of any of the following conditions:

- Direct Designation Agency exceeds a 20 percent administrative, marketing and campaign funding level; or
- Direct Designation Agency raises less than \$25,000 during the previous local campaign.

RESPONSIBLE DEPARTMENT

Chief Administrative Office

DATE ISSUED/SUNSET DATE

Issue Date: June 2, 1998
Review Date: January 16, 2003
Review Date: January 16, 2011

Sunset Date: June 2, 2002
Sunset Date: January 16, 2007
Sunset Date: January 16, 2012

**SUNSET REVIEW EVALUATION FORM
FOR USE BY
COMMISSIONS, COMMITTEES AND TASK FORCES**

Organization Name: Workplace Giving Policy and Standards

Contact Person: Victoria Pipkin-Lane, Director, CAO Workplace Programs (213) 974-2495

Mission: To support local non-profit charitable organizations which provide a broad range of health and human care services to the residents of Los Angeles County which reflect the cultural and ethnic diversity of the region, and the underserved areas impacting men, women and children. To administer a voluntary, cost-effective program that maximizes employee donor choices and maximizes dollar distribution to agencies providing direct services to local residents in Los Angeles County communities.

Requested Sunset Date: January 16, 2012

ORGANIZATION'S SELF EVALUATION (Evaluation period)

<p>Section 1. How does the mission of the organization remain relevant in the current County environment?</p>	<p>The Workplace Giving Program carries out the County's mission to "enrich lives through effective and caring service." It displays employee "workforce excellence" and endeavors to enhance "children and families' well-being" in accordance with the County's Strategic Plan.</p>
<p>Section 2. Meetings and Attendance.</p>	<p>Meetings: Annual training workshops in July</p> <p>Required: Yes (for departmental coordinators)</p> <p>Scheduled: _____ Held: _____</p> <p>Date of last meeting: September 7, 2006</p> <p>Average attendance _____</p> <p>Per meetings: 45 coordinators</p> <p>Membership: 45</p>

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Section 3. Identify the organization's accomplishments (output/products).	
The 2006 Workplace Giving Program raised \$1.5 million dollars through employee cash contributions, payroll deduction and one-time cash contributions, meeting the annual goal. The \$1.5 million was distributed to the five, Board approved Fund Distribution Agencies--- Asian Pacific Community Fund, Brotherhood Crusade, Earth Share of California, the United Latino Fund and United Way. The FDAs distributed the funds to health and human care agencies within the County of Los Angeles.	

Section 4. Identify the outcome (results) of the organization's accomplishments during the evaluation period.	
The Workplace Giving Program, through department events, special fundraising activities and payroll deduction, met its 2006 goal of raising \$1.5 million dollars. The funds were distributed to the five, Board approved Fund Distribution Agencies which, in turn, allocated the funds to agencies offering affordable health care, literacy improvement classes, shelter to the homeless, and programs to protect the environment and feed the hungry.	

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Organization Name: Workplace Giving Policy and Standards

Section 5. What is the organization's objectives for the upcoming evaluation period?	
The objective of the Workplace Giving Program is to increase employee contributions through payroll deduction, raise \$1.5 million dollars through cash contributions and payroll deduction, and to continue to automate as many functions of the program as possible.	

Section 6. Brown Act Compliance.	
<p>a. Is the Organization aware of the Brown Act provisions? Yes!</p> <p>b. Does the organization comply with the Brown Act? Yes!</p> <p>c. How does the organization ensure compliance? All meeting notices are posted in the CAO Workplace Programs Office at least 72 hours prior to the meeting along with the agenda. All meetings are open to the public.</p>	

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Section 7. Identify the organizations' use of resources (inputs) over the evaluation period. If actual costs are not known, please estimate the costs for each of the listed categories and indicate that the amounts are an estimate.	
BUDGETED	ACTUAL
DIRECT COSTS	
Personnel \$	\$
Services & Supplies \$25,000	
Travel	
Other \$5,000	
Total Direct Costs \$	\$
INDIRECT COSTS	
Personnel \$	\$
Overhead	
Other	
Total Indirect Costs \$20,000	\$
TOTAL COSTS	\$50,000 \$
OTHER RESOURCES USED	
(ADMINISTRATIVE) Workplace Connection Bimonthly Newsletter to publicize charitable giving activities and bulletin boards.	

Section 8. Recommendation.	
We recommend that due to the effectiveness of the Workplace Giving Campaign the sunset review date be set at January 16, 2012.	